

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 441 be amended to read as follows:

- 1 Page 4, between lines 31 and 32, begin a new paragraph and insert:
2 "SECTION 2. IC 6-1.1-1-3, AS AMENDED BY P.L.291-2001,
3 SECTION 204, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 3. (a) Except as provided in subsection (b) **or**
5 **(c), "assessed value" or "assessed valuation" means an amount equal to:**
6 (1) for assessment dates before March 1, 2001, thirty-three and
7 one-third percent (33 1/3%) of the true tax value of property; and
8 (2) for assessment dates after February 28, 2001, the true tax
9 value of property.
10 (b) For purposes of calculating a budget, rate, or levy under
11 IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-19, IC 6-1.1-20,
12 IC 21-2-11.5, and IC 21-2-15, "assessed value" or "assessed valuation"
13 does not include the assessed value of tangible property excluded and
14 kept separately on a tax duplicate by a county auditor under
15 ~~IC 6-1.1-17-0.5~~. **IC 6-1.1-17-0.5(b).**
16 **(c) For purposes of calculating a budget, rate, or levy under**
17 **IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-19, IC 6-1.1-20,**
18 **IC 21-2-11.5, and IC 21-2-15, "assessed value" or "assessed**
19 **valuation" does not include the amount of a reduction to a taxing**
20 **unit's assessed valuation made by the county auditor under**
21 **IC 6-1.1-17-0.5(d)."**
22 Page 26, between lines 36 and 37, begin a new paragraph and insert:
23 "SECTION 20. IC 6-1.1-15-10, AS AMENDED BY P.L.1-2004,

SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) If a petition for review to any board or a proceeding for judicial review in the tax court regarding an assessment or increase in assessment is pending, the taxes resulting from the assessment or increase in assessment are, notwithstanding the provisions of IC 6-1.1-22-9 **or IC 6-1.1-22-9.5**, not due until after the petition for review, or the proceeding for judicial review, is finally adjudicated and the assessment or increase in assessment is finally determined. However, even though a petition for review or a proceeding for judicial review is pending, the taxpayer shall pay taxes on the tangible property when the property tax installments come due, unless the collection of the taxes is stayed under IC 4-21.5-5-9 pending a final determination in the proceeding for judicial review. The amount of taxes which the taxpayer is required to pay, pending the final determination of the assessment or increase in assessment, shall be based on:

(1) the assessed value reported by the taxpayer on the taxpayer's personal property return if a personal property assessment, or an increase in such an assessment, is involved; or

(2) an amount based on the immediately preceding year's assessment of real property if an assessment, or increase in assessment, of real property is involved.

(b) If the petition for review or the proceeding for judicial review is not finally determined by the last installment date for the taxes, the taxpayer, upon showing of cause by a taxing official or at the tax court's discretion, may be required to post a bond or provide other security in an amount not to exceed the taxes resulting from the contested assessment or increase in assessment.

(c) Each county auditor shall keep separate on the tax duplicate a record of that portion of the assessed value of property that is described in IC 6-1.1-17-0.5(b) **or IC 6-1.1-17-0.5(d)**. When establishing rates and calculating state school support, the department of local government finance shall exclude from assessed value in the county the assessed value of property kept separate on the tax duplicate by the county auditor under IC 6-1.1-17-0.5(b) **or IC 6-1.1-17-0.5(d)**.

SECTION 21. IC 6-1.1-17-0.5, AS ADDED BY P.L.291-2001, SECTION 206, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) For purposes of this section, "assessed value" has the meaning set forth in IC 6-1.1-1-3(a).

(b) The county auditor may exclude and keep separate on the tax duplicate for taxes payable in a calendar year the assessed value of tangible property that meets the following conditions:

(1) The assessed value of the property is at least nine percent (9%) of the assessed value of all tangible property subject to taxation by a taxing unit (as defined in IC 6-1.1-1-21).

(2) The property is or has been part of a bankruptcy estate that is

subject to protection under the federal bankruptcy code.

(3) The owner of the property has discontinued all business operations on the property.

(4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) For each taxing unit located in the county, the county auditor may reduce the taxing unit's assessed valuation to enable the taxing unit to absorb the effects of reduced property tax collections resulting from successful assessed valuation appeals. The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection. The maximum amount of the reduction authorized under this subsection is determined under subsection (e).

(e) The amount that may be subtracted under subsection (d) may not exceed the lesser of:

(1) two percent (2%) of the taxing unit's assessed valuation;
or

(2) the total value of the amount of assessed valuation reductions occurring in the previous year that resulted from successful appeals of the assessed valuation of property located in the taxing unit.

(f) An amount subtracted under subsection (d) may not be offered as evidence that a particular parcel has been improperly assessed in a proceeding before the county property tax assessment board of appeals, the Indiana board, or the Indiana tax court."

Page 27, line 14, strike "and".

Page 27, line 15, after "(5)" insert **"the amount of the political subdivision's assessed valuation subtracted under section 0.5(d) of this chapter; and**

(6)".

Page 27, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 23. IC 6-1.1-17-3, AS AMENDED BY P.L.256-2003, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy;

(3) the current and proposed tax levies of each fund;

- 1 **(4) the amount of the political subdivision's assessed**
 2 **valuation subtracted under section 0.5(d) of this chapter; and**
 3 **(5) the amounts of excessive levy appeals to be requested.**

4 In the notice, the political subdivision shall also state the time and place
 5 at which a public hearing will be held on these items. The notice shall
 6 be published twice in accordance with IC 5-3-1 with the first
 7 publication at least ten (10) days before the date fixed for the public
 8 hearing.

9 (b) The board of directors of a solid waste management district
 10 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
 11 conduct the public hearing required under subsection (a):

- 12 (1) in any county of the solid waste management district; and
 13 (2) in accordance with the annual notice of meetings published
 14 under IC 13-21-5-2.

15 (c) The trustee of each township in the county shall estimate the
 16 amount necessary to meet the cost of poor relief in the township for the
 17 ensuing calendar year. The township board shall adopt with the
 18 township budget a tax rate sufficient to meet the estimated cost of poor
 19 relief. The taxes collected as a result of the tax rate adopted under this
 20 subsection are credited to the township poor relief fund.

21 SECTION 24. IC 6-1.1-17-8.5 IS ADDED TO THE INDIANA
 22 CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: **Sec. 8.5. (a) If a county auditor reduces a taxing**
 24 **unit's assessed valuation under section 0.5(d) of this chapter, the**
 25 **department of local government finance shall, in the manner**
 26 **prescribed in section 16 of this chapter, review the budget, tax**
 27 **rate, and tax levy of the taxing unit.**

28 **(b) The county auditor may appeal to the department of local**
 29 **government finance to reduce a taxing unit's assessed valuation**
 30 **by an amount that exceeds the limits set forth in section 0.5 of**
 31 **this chapter. The department of local government finance may**
 32 **require the county auditor to submit supporting information with**
 33 **the county auditor's appeal. The department of local government**
 34 **finance shall consider the appeal at the time of the review**
 35 **required by subsection (a). The department of local government**
 36 **finance may approve, modify and approve, or reject the amount of**
 37 **the reduction sought in the appeal.**

38 SECTION 25. IC 6-1.1-17-16, AS AMENDED BY P.L.256-2003,
 39 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 16. (a) Subject to the limitations and
 41 requirements prescribed in this section, the department of local
 42 government finance may revise, reduce, or increase a political
 43 subdivision's budget, tax rate, or tax levy which the department reviews
 44 under section 8, **8.5**, or 10 of this chapter.

1 (b) Subject to the limitations and requirements prescribed in this
2 section, the department of local government finance may review, revise,
3 reduce, or increase the budget, tax rate, or tax levy of any of the
4 political subdivisions whose tax rates compose the aggregate tax rate
5 within a political subdivision whose budget, tax rate, or tax levy is the
6 subject of an appeal initiated under this chapter.

7 (c) Except as provided in subsection (j), before the department of
8 local government finance reviews, revises, reduces, or increases a
9 political subdivision's budget, tax rate, or tax levy under this section, the
10 department must hold a public hearing on the budget, tax rate, and tax
11 levy. The department of local government finance shall hold the hearing
12 in the county in which the political subdivision is located. The
13 department of local government finance may consider the budgets, tax
14 rates, and tax levies of several political subdivisions at the same public
15 hearing. At least five (5) days before the date fixed for a public hearing,
16 the department of local government finance shall give notice of the time
17 and place of the hearing and of the budgets, levies, and tax rates to be
18 considered at the hearing. The department of local government finance
19 shall publish the notice in two (2) newspapers of general circulation
20 published in the county. However, if only one (1) newspaper of general
21 circulation is published in the county, the department of local
22 government finance shall publish the notice in that newspaper.

23 (d) Except as provided in subsection (i), IC 6-1.1-19, or
24 IC 6-1.1-18.5, the department of local government finance may not
25 increase a political subdivision's budget, tax rate, or tax levy to an
26 amount which exceeds the amount originally fixed by the political
27 subdivision. The department of local government finance shall give the
28 political subdivision written notification specifying any revision,
29 reduction, or increase the department proposes in a political
30 subdivision's tax levy or tax rate. The political subdivision has one (1)
31 week from the date the political subdivision receives the notice to
32 provide a written response to the department of local government
33 finance's Indianapolis office specifying how to make the required
34 reductions in the amount budgeted for each office or department. The
35 department of local government finance shall make reductions as
36 specified in the political subdivision's response if the response is
37 provided as required by this subsection and sufficiently specifies all
38 necessary reductions. The department of local government finance may
39 make a revision, a reduction, or an increase in a political subdivision's
40 budget only in the total amounts budgeted for each office or department
41 within each of the major budget classifications prescribed by the state
42 board of accounts.

43 (e) The department of local government finance may not approve a
44 levy for lease payments by a city, town, county, library, or school
45 corporation if the lease payments are payable to a building corporation
46 for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor; and
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

- (1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.
- (2) If the department acts under an appeal initiated by taxpayers under section 13 of this chapter, a taxpayer who signed the petition under that section.
- (3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

- (1) requested in writing by the officers of the political subdivision;
- (2) either:
 - (A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or
 - (B) results from an inadvertent mathematical error made in determining the levy; and
- (3) published by the political subdivision according to a notice provided by the department.

(j) The department of local government finance shall annually review the budget of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget. A public hearing is not required in connection with this review of the budget.

(k) Except as provided in section 8.5(b) of this chapter, the department of local government finance may not certify a taxing

unit's budget, tax rate, or tax levy if the department of local government finance determines that the county auditor has reduced the taxing unit's assessed valuation under section 0.5 of this chapter by more than the amount authorized."

Page 28, line 37, after "the" insert: "greater of:

(1) the civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under section 3 of this chapter; or

(2)".

Page 92, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 84. [EFFECTIVE UPON PASSAGE] (a) For purposes of this SECTION:

(1) "civil taxing unit" has the meaning set forth in IC 6-1.1-18.5-1; and

(2) "maximum levy" refers to the maximum permissible ad valorem property tax levy determined under IC 6-1.1-18.5-3.

(b) For property taxes first due and payable in 2005, the maximum levy of a civil taxing unit is:

(1) the maximum levy determined for the unit for the year substituting:

(A) the unit's maximum permissible ad valorem property tax levy for taxes first due and payable in 2004 determined under IC 6-1.1-18.5 as in effect before the amendments to that chapter in P.L.1-2004 for the unit's maximum permissible ad valorem property tax levy for the preceding calendar year in STEP ONE of IC 6-1.1-18.5-3(a) or STEP ONE of IC 6-1.1-18.5-3(b); and
(B) an assessed value growth quotient of one (1) in STEP TWO of IC 6-1.1-18.5-3(a) or STEP TWO of IC 6-1.1-18.5-3(b) for the assessed value growth quotient determined under IC 6-1.1-18.5-2(b); plus

(2) any increase that results from an appeal by the unit for relief from levy limitations as described in IC 6-1.1-18.5-12.

(c) This SECTION expires January 1, 2006.

SECTION 85. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-17-8.5, as added by this act, applies only to property taxes first due and payable after December 31, 2004.

(b) The following, all as amended by this act, apply only to property taxes first due and payable after December 31, 2004:

IC 6-1.1-1-3

IC 6-1.1-15-10

IC 6-1.1-17-0.5

- 1 **IC 6-1.1-17-1**
- 2 **IC 6-1.1-17-3**
- 3 **IC 6-1.1-17-16.**
- 4 **IC 6-1.1-18.5-1."**
- 5 Renumber all SECTIONS consecutively.
(Reference is to ESB 441 as printed February 20, 2004.)

Representative Thompson